Secl. II 37—104,000—4-11-49.

Public Works **(1951) Department.**

Miscellaneous **SERIES.**

G.O. NO. 2100

Dated 21st May 1951

Closed

JME 26/5/51

Dept

[Despatch Abstract.]

ELECTRICITY - South Kanara District - Improvement of supply Purchase of one 500 KW Diesel set in advance of acquisition of Bangalore Company electrical undertaking - Estimate Rs.2,5 lakhs Approved.

4675 9/50

24-10-50

ELECTRICITY DEPARTMENT

From
The Chief Engineer for Electricity,
Government Electricity Department,
157, Mount Road, Madras.

To
The Secretary to Government,
Public Works Department,
Madras.

No. E3/AC/R-2533I/50-3 Dated 13-10-1950.

Sir,

Sub: Electricity - Supply in South Kanara District - Suggestions by the Kanara Chamber of Commerce for improvement - Acquiring and improving Mangalore Electrical undertaking

Ref: Public Works Department Memo No. 1536-P/49-2 dated 19-5-1949.

I forward herewith a proposal for acquiring the Mangalore Electrical undertaking and for improving the same and extending supply around Mangalore. This licensee undertaking is programmed to be acquired in the second batch, say in 1951-52. It is even now necessary to have the scheme of acquirement and expansion got sanctioned, so that the necessary thermal set and materials required, may be ordered immediately and received in time for installation as soon as the undertaking is taken over by Government.

The scheme has been prepared on a three year net return basis and the report enclosed gives details of load, revenue forecast and estimates. The scheme is estimated to cost Rs.29.227 lakhs initially and Rs.35.311 lakhs in 3 years. The nett revenue at the end of the 3rd year of operation works out to Rs.1.534 lakhs yielding a net return of 4.29% on the total capital outlay. The scheme is, therefore, remunerative.

The power supply position at Mangalore is unsatisfactory; the public are keen on better supply conditions as development in the area has been at a stand-still for some time and there are considerable number of applicants awaiting supply for long periods.

(Contd...)

3

A scheme for supplying power to this area from the Mysore State's Hydro Electric Station at Jog has been sanctioned in G.O. No.3270, P.W.D. dated 1-9-1960. This power is likely to reach Mangalore in about 4 years. In the meanwhile as the existing supply conditions are not satisfactory and the public are agitating for more reliable supply, it is necessary to augment the present supply. This scheme is therefore submitted for early sanction so that additional power could be made available to the place by about 1962.

I also request that sanction for the staff required for "Construction" and "Operation" as set out in the scheme report may be accorded.

N. Venkataram

for CHIEF ENGINEER (ELECTRICITY).

Copy to S.E.P. with proposal.
Copy to C.C.A. "
Copy to E.M.E.O.S. "
Copy to C.E.I.G. "

MANGALORE THERMO-ELECTRIC SCHEME.

South Canara District.

SCHEME REPORT.

1. Scope:

The Mangalore Electrical Undertaking is at present operated by the Mangalore Electric Supply Company Ltd. The Undertaking commenced operation in 1933 and is scheduled for acquisition in the second batch i.e. in 1951-52 in all probability.

The Development in the area has been at a stand still owing to inadequate generating capacity. The public are eager to take supply. To meet the situation and with a view to develop electric supply in the South Kanara District, a proposal to extend supply from the Jog Generating Station has been submitted to Government by the Department. This supply may take four years from now to materialise. The present scheme of taking over of the licensee's supply system will be a prelude to the main scheme and the oil engine generation at Mangalore will be restricted to a period of only 3 years. Since the expansion in generating capacity now proposed is a temporary arrangement, it is restricted to the minimum required for handling the existing and awaiting loads to come up within two years of the expansion.

The proposal is to acquire the Mangalore Electrical Undertaking and to run it as a Government distribution after installing additional generating plant, carrying out necessary repairs to existing generating units that have been working for over 17 years. Also certain immediate extensions and improvements to the distribution system are covered in the proposal.

2. Description:

The oil engine driven Power Station at Mangalore has at present 3 Numbers 250 KW, (312.5 KVA) 3.3.KV Diesel Alternator Sets originally installed and 2 numbers 267 KW 400 V. Petter Brush Diesel Alternator Sets installed in the middle of 1942. The 3 sets of 250 KW have to be thoroughly overhauled early, having been in service for quite a long time viz. for over 17 years.

The present distribution at Mangalore is at 3.3 KV. The Scheme does not provide for conversion of this existing 3.3 KV. system to 11 KV. However, extensions outside Mangalore and to Mulki are proposed at 11 KV., so that they may fit in future distribution system. The 3.3 KV. system will be gradually changed over to 11 KV.

3. Requirements:

The proposal is to take over both generating and distribution from the licensee and install one additional generating unit of 500 KW. in the construction period. The generation voltage of the new set is proposed to be at 11 KV. as all new extensions of the scheme are proposed at 11 KV. The licensee's power house (of dimensions 37'6" x 90') has to be extended on the eastern side for housing the new Engine and Switchboard and necessary space for this is available. There is an over-head crane which is suitable for the erection of the new set now proposed. The crane gantry can be extended to the proposed power house extension to enable the crane being used for the new set.

Certain improvements to existing cooling water and fuel oil system with extensions to the power house annexe will also be required.

The other requirements during the initial stage are 10 miles of 11 KV line, 10 numbers of 11KV/400V. distribution transformer, 10 miles of L.T. lines. During the three year period, 22 miles of 11 KV lines, 12 Nos. of ~~kxfxxkinxx xxx~~ distribution transformers and 20 miles of L.T. lines are provided for in the estimates.

4. Estimates:

Details and abstract of estimates for initial and ultimate expenditure are given in Statements II and III. The rates assumed in the estimates are as per the present day market rates for various materials.

The compensation payable to the licensees is based on the provisions of the Acquisition Act.

The Capital Expenditure works out to 29.227 lakhs initially rising up to 35.311 lakhs in three years.

5. Load Forecast:

The present peak on the station is 730 KW. Owing to want of adequate station capacity, the industrial loads at Mangalore are restricted not to work between 6 P.M. and 10 P.M. In respect of industrial loads above 15 H.P. weekly holidays are staggered. Most of the tile factories have been permitted supply only for 5 hours a day either in the forenoon or in the afternoon though certain large tile factories are permitted to work both in the forenoon and afternoon. If the restriction in weekly holiday is withdrawn, the maximum demand may go up by about 100 KW. and if restriction in working hours is also withdrawn and continucus supply effected to all the tile factories, the maximum demand may go up by another 220 KW. necessitating the Power House to cater to a total demand of about 1050 KW. 28 tile factories, cashew and coffee factories in and around Mangalore now working on oil or steam sets have applied for power supply and their connected load will be about 1300 H.P. Based on the experience with existing tile factories, the maximum demand in respect of these new loads is estimated to be about 500 KW. Besides, 20 other types of factories have applied for power or for increased power and their requirements will accrue to a total connected load of 1060 H.P. The effective maximum demand in respect of these loads around Mangalore may be taken as about 500 KW. Further, there are 2 lists of sanctioned loads totalling 266 H.P. awaiting connection or being connected up. The maximum demand consequent to connecting these loads may be about 70 K.W.

The station Maximum Demand would thus rise upto 1870 KW OR say 1900 KW. and this is to cater loads at Mangalore. This load would come up as soon as adequate generating capacity is available to meet the demand and as soon as consumers are ready ~~xx~~ with their equipments which may be about the same time as the Department is ready.

At Ullal, about miles south of Mangalore border, two oil mills, one tile factory and some agriculture pumpsets with about 100 KW. connected load have to be catered to. Some domestic services are also likely to come up as the people in the area are anxious for supply. The maximum demand due to these loads may be about KW.

Mulki is an important centre about 20 miles off Mangalore. Agricultural pumpsets to the extent of 400 H.P and a tile factory load of 30 H.P. can be expected along the route of the H.T. line to Mulki. The district Agricultural Officer expects mugh higher demand for power for agricultural pumping. The Panchayat Board, Mulki, will avail supply for street lighting and there is an important temple at Mulki now having its own installation which is also likely to changeover to Government Electric supply. About 100 Houses at Mulki are expected to get electrified initially and there are 3 printing presses who will also avail of the supply. Flour mills will also spring up when power is available. The demand on this feeder is likely to be about 120 KW. The aggregate demand on the station will thus rise upto 2080 KW. or say 2100 KW. So a safe demand of 1500 KW in the third year of operation is assumed for purposes of revenue.

Thus from the above, Statement I showing the load for the three years period has been forecasted. It is not the intention immediately to remove the restriction in hours of supply and weekly holidays. It is proposed to build load in the area and withdraw the restrictions when adequate generating capacity is available. The load demand of 1500 KW. in third year of operation will easily be exceeded owing to the large number of saw, rice and oil mills, and tile factories operating in the area on oil or steam power.

6. Revenue Forecast:

The existing rates of supply of the Mangalore Electric Undertaking are 6 annas per unit for lighting and 4 annas per unit for the first 250 units per mensem and 2 annas per unit for the next 4750 units per mensem for L.T. industrial purposes and 2 annas per unit for agricultural purposes. The rates for lighting purpses compare well with the Cocanad Thermal rates, though that for industrial and agricultural purposes appear slightly on the high side. The area is out of the way and involves long transport for fuel oil and other materials. In view of the eagerness of the public to obtain adequate and reliable supply, greater supply at higher rate can be considered preferable to restricted or little supply though at lesser rates. Hence the existing tariff may be continued for one year after which the position may be reviewed to see if any reduction is feasible.

It may be noted that the revenue assumed in Statement I is based on the revenue of Rs.540/- per KW. year. The licencee is at present giving supply to a good number of industrial consumers during restricted hours and is obtaining about Rs.770/- per KW. year. The load and revenue forecast is therefore very conservative and may be very much exceeded in actuals.

7. Load Factor:

A load factor of 30% in the first year rising to 32% in the third year is assumed. This may be considered reasonable as the load factor at Mangalore Power House in 1948-49 based on licensee's accounts is about 35%.

8. Cost of Energy:

Owing to devaluation, prices of fuel and lubricating oils have gone up recently. The cost of fuel oil has been assumed at Rs.250/- per ton at licensee's power house at Mangalore. Based on the guaranteed fuel consumption, particularly of similar sets and on the present day costs of fuel and lubricating oils, the cost of fuel and lubricating

oil per unit has been taken as 1.65 annas.

9. Financial Forecast:

Statement IV gives the financial forecast for the three year period. The following assumptions have been made:

1) Interest at 4% on capital.

2) Operation and Maintenance at 3% on capital.

3) Depreciation at 3½% on capital.

These are similar to those assumed for diesel stations extension schemes so far submitted by the department for Government sanction.

10. Financial Results:

a) Capital outlay at the end of the third year of operation	..	Rs.35.311 lakhs.
b) Accumulated deficit at the end of the third year.	..	.446 "
c) Sum at charge at end of third year	..	35.757 "
d) Net revenue at the end of third year of operation.	..	1.534 "
e) % return.	..	4.29%.

11. Construction Programme:

The scheme is expected to commence operation in 18 months from the date of sanction and posting of staff.

12. Staff:

The following staff are required for "Construction" and "Operation". These staff will be attached to the Pykara System:

Sl. No.	Name of Staff.	Construction. No.	Construction. Cost per month.	Operation. No.	Operation. Cost per month
Field:					
1)	Divisional Electrical Engineer.	1	900	1	900
2)	Assistant Engineers.	2	1000	2	1000
3)	Junior Engineers	4	1100	4	1100
4)	Store Keepers II Grade	1	120	1	120
5)	U.D.C. II Grade	1	120	1	120
6)	L.D.C.	3	255	3	255
7)	Typist	1	85	1	85

Sl. No.	Name of Staff.	Construction.		Operation.	
		No.	Cost per month.	No.	Cost per month
	Central Office:				
10)	Accountant.	1	200	1	200
11)	U.D.C. II Grade.	1	120	1	120
12)	L.D.C.	1	85	2	170
13)	Peons	1	40	1	40
	Total cost per month.		4465		4760
	Cost per year		53580		57120

The construction staff may be sanctioned for 1½ years and the operation staff as a permanent measure.

13) The details as required in Government Memo No.3373J/47-1 of 2-9-47 are noted below:

a) Item 1 & 2. The Major, Minor and sub-head of account is "81.A-Capital outlay on Electricity Schemes II Thermo Electric Scheme (Excluding Post War Reconstruction) G - Mangalore Thermal Scheme."

b) Item 3: Ultimate cost:

1) Recurring 7.958 lakhs of Rs.
2) Non-recurring 35.311 lakhs of Rs.

The construction is expected to be completed by the end of 1952 and operation commenced early in 1953. On this basis the annual expenditure is estimated as follows:-

1950-51 (year of introduction) Rs.0.5 Rs. Lakhs.

1951-52 (Rs. 16.416 lakhs 1952-53 - Rs.13.152 lakhs.

1953-54 Rs. 2.953 lakhs. 1954-55 - Rs. 1.54 lakhs.

1955-56 Rs. .75 lakhs.

:-=oOo=-:

Encl: Statement I, II, III & IV.

STATEMENT I.

MANGALORE THERMO-ELECTRIC SCHEME-SOUTH KANARA DISTRICT.

LOAD AND REVENUE FORECAST.

Sl. No.	Particulars.	Years of operation. 1st.	2nd.	3rd.
1.	Demand in K.W. at Power House.	1000	1500	1500
2.	Rate of revenue anticipated in Rs. per K.W./year of demand.	540	540	540
3.	Total revenue for year in lakhs of Rs.	5.4	8.1	8.1
4.	Load factor as a percentage.	30%	31%	32%
5.	Units generated in lakhs of units during the year.	26.28	40.73	42.05
6.	Cost of fuel and lubricating oil per Unit generated in annas	1.65	1.65	1.65
7.	Total cost of fuel & lubricating oil in lakhs of Rs./- for the year.	2.71	4.2	4.336

STATEMENT II.

Mangalore Thermo Electric Scheme - South Karana District.

Detailed Estimate
for acquiring and improving
Mangalore Electricity Undertaking.

S. No.	Particulars.	Capital outlay in Lakhs of Rs. During Construction.	1st year of operation.	2nd year of operation.	3rd year of operation.
1.	2.	3.	4.	5.	6.
A.	Compensation to Licensees:-				
1)	Cost of Taking over licensees generating station and distribution.	17.0	-	-	-
	Total.	17.0	-	-	-
B.	Generating Station & Auxiliaries:-				
2)	Grounds and Buildings.	1.0			
3)	Generating plant erected: One No.500 KW. 11KV. generation voltage, Diesel Engine generator set complete with control panels, O.C.B., etc. at Rs.500/- per KW.	2.5	-	-	-
4)	Oil storage tank etc.	.075	-	-	-
5)	Cooling water system.	.10	-	-	-
6)	Sundries	.075	-	-	-
	Total.	3.750	-	-	-
C.	Transmission Lines:				
7)	11KV. feeders line on 41¼ lb. rails with 7/.074 copper including some cable crossings at a place. During const. 10 m/s. 1st year 15 m/s and second year 7 m/s at 8000/- Rs. per mile.	.80	1.20	.56	-
	Total.	0.80	1.2	.56	-

/Continued/

Statement II (contd).

1.	2.	3.	4.	5.	6.
D.	Transformers erected:-				
8)	Transformers 11/400V. of required capacities upto 100 KVA. During construction - 10 Nos. first year of operation - 6 2nd year of operation- 3. 3rd year of operation- 3. at 8000/- Rs. each.	.80	.48	.24	.24
	Total.	.80	.48	.24	.24
E.	Feeders Erectdd:-				
9)	L.T. 3 phase feeders. during construction - 10 miles 1st year - 10 miles 2nd year - 5 miles & 3rd year - 5 miles at an average cost of 8000/- Rs. per mile.	.80	.80	.40	.40
	Total.	.80	.80	.40	.40
F.	Special Structures Erected:-				
10)	Transformer structures Construction 10. 1st. - 6. 2nd. - 3. 3rd year - 3. at 800/- each.	.08	.048	.024	.024
11)	Tapping structures construction - 5. 1st year - 3. 2nd year - 2. 3rd year - 2. at 400/- Rs. each.	.02	.012	.008	.008
12)	Special structure near Power House. L.S.	.06	-	.03	-
	Total.	.16	.060	.062	.032
G.	Switchgear and Lightning Arresters:-				
13)	11 KV. Control kiosk near Power House.	.15	-	-	-
14)	11 KV. AB Switches	.06	.036	.016	.02
15)	11 KV. H.G. Fuses	.015	.009	.005	.005
16)	11 KV. Lightning Arresters.	.020	.012	.006	.006
17)	L.T. Distribution boxes	.03	.018	.009	.009
18)	L.T. Lightning Arrestors	.005	.003	.002	.002
	Total.	.280	.078	.038	.042
H.	Service Connections:-				
	Industrial Agricultural & House service connections.	.20	.12	.10	.10
	Total.	.20	.12	.10	.10

STATEMENT III.

Mangalore Thermo Electric Sheme - South Kanara District.

Abstract Estimate of capital outlay.

Sl. No.	Particulars.	Capital cost in lakhs of Rs.during Construction.	1st year of operation.	2nd year of operation.	3rd year of operation.
A.	Compensation to Licencee on taking over.	17.0	-	-	-
B.	Generating station & auxiliaries.	3.75	-	-	-
C.	Transmission Line erected	.80	1.2	.56	-
D.	Transformers Erected	.80	.48	.24	.24
E.	Feeders erected.	.80	.80	.40	.40
F.	Special structes erected	.16	.06	.062	.032
G.	Switchgear and Lightning Arresters.	.28	.078	.038	.042
H.	Service Connections	.20	.12	.10	.10
	Sub Total.	23.79	2.738	1.4	.814
	Contingencies 5%	1.19	.137	.07	.041
	Total for works.	24.98	2.875	1.47	.855
	Establishment, general charges and tools and plant. 17%	4.247	.489	.250	.145
	GRAND TOTAL.	29.227	3.364	1.720	1.0

Cost during construction period -- Rs.29.227 lakhs.

Cost during 3 years of operation -- Rs. 6.084 "

TOTAL COST. .. .. Rs.35.311 "

STATEMENT IV.

MANGALORE THERMO-ELECTRIC SCHEME - SOUTH KANARA DISTRICT.

STATEMENT OF FINANCIAL RESULTS.

NOTE: All figures are in lakhs of Rupees.

Serial No.	Year of operation.	Capital outlay up to the year.	Capital outlay during the year.	Interest at 4% of Col. 3 & 2% of Col. 4.	Cost of fuel & lubricating oil for the year	Operation and maintenance charges 3% of Col. 3.	Depreciation at 3½% of Col. 3.	Total Expenditure Cols. 6 + 7 + 8.	Gross Revenue.	Net Revenue Col. 10-9.	Surplus or deficit after deducting interest charges Col. 11-5.	Accumulated Surplus or deficit.
1.	2.	3.	4.	5	6.	7.	8.	9.	10.	11.	12.	13.
1.	Construction Period.	-	29.227	.585	-	-	-	-	-	-	- .585	- .585
2.	1st Year.	29.227	3.364	1.236	2.71	.877	1.023	4.61	5.4	0.79	- .446	-1.031
3.	2nd Year.	32.591	1.720	1.338	4.2	.978	1.141	6.319	8.1	1.781	+ .443	- .588
4.	3rd Year.	34.311	1.0	1.392	4.336	1.029	1.201	6.566	8.1	1.534	+ .142	- .446

Capital Expenditure to the end of third year. .. 35.311

Accumulated deficit. 0.446

Sum at Charge 35.757

Net Revenue at the end of the third year. 1.534

Net Return. $= \frac{1.534}{35.757} \times 100$ .. .. 4.29%.

85
5-JAN 1951
PUBLIC WORKS DEPT.

ELECTRICITY DEPARTMENT

From
The Chief Engineer for Electricity,
Government Electricity Department,
157, Mount Road, Madras.

To
The Secretary to Government,
Public Works Department,
Madras.

No.E3/A3/25331/50-5 Dated: 4 -1-51

Sir,

Sub: Acquiring and improving Mangalore Electrical undertaking.

Ref: My letter No.E3/A3/R25331/50-3 dated 3-10-1950.

With my letter E3/A3/R25331/50-3 dated 3-10-1950, I forwarded a scheme estimated to cost Rs.29.227 lakhs initially and Rs.35.311 lakhs in 3 years for acquiring the Mangalore Electrical undertaking, for improving the supply at Mangalore and for extending it to Mulki by erecting about 14 miles of 11 KV. line from the town limits of Mangalore.

On a recent inspection of the area, I find that the loads likely to come in Mulki Panchayat area and enroute are not considerable and do not justify the erection of a long length of 11 KV line while there is greater demand for power at Mangalore itself. It is therefore proposed to eliminate the extension to Mulki and to utilise the savings for local connections in view of the immediate heavy local demand waiting at Mangalore. This may please be approved. This change will not however affect the remunerative aspect of the scheme as already submitted. Urgent sanction may kindly be accorded to the scheme, so that the additional engine sets and materials may be ordered.

CHIEF ENGINEER (ELECTRICITY)

Copy to S.E.P., C.C.A., E.M.E.(O.S) and C.E.I.G.

29 P.W.Q

V. Urgent

For personal attention

Memo. No. 4675-D/50 — 2 dt 6.2.51

Elec - ~~Supplying~~ South Kanara Dist - Scheme for acquiring and improving ~~the~~ Mangalore Electrical undertaking.

— · —

Ref:- From the C.E(E) No. E3/A3/R-2533 I/50-3 dt 13-10-50.

The H.M. ~~(PWD)~~ for P.W. desires to discuss with the C.E (E) the proposal submitted by him with his letter cited for the acquisition and improvement of the Mangalore Electrical undertaking. ~~in his letter cited~~. The C.E(E) is requested to meet the H.M. ~~(PWD)~~ at the Secretariat Chambers at 1 P.M. on 10.2.51 for the discussion.

DME 6/2/51

6/2/51

TPK 6.2.51

To

The C.E(E)

Copy by name to residential address (Sri G. Sundaraja, C.E. (Electricity), 3 Cathedral Road, Chennai-6)

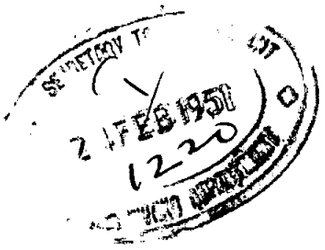
Copy sent by spl messenger.

dispatched on 6/2/51

1

31

Government Electricity Department.



From The Chief Engineer for Electricity,
157, Mount Road, Madras.

To The Secretary to Government,
Public Works Department,
Madras.

No.E5/A3/R-394/2855-G/51-1 dated 23-2-1951.

Sir,

Sub: Electricity - Mangalore Electrical undertaking - Acquisition of.

Ref: Chief Engineer's (Electricity) letter No.E3/A3/R/2553 I/50-3 dated 13-10-1950.

In the above letter a scheme report for taking over Mangalore Electrical undertaking and improving it at an estimated cost of Rs.29.227 lakhs initially rising to Rs.35.311 lakhs in three years has been submitted to Government for sanction.

(2) As per the Government's nationalisation programme, the Mangalore Electrical undertaking is proposed to be acquired in the second batch i.e. in 1951-1952.

(3) The undertakings in the first batch are scheduled for being taken over in June 1951 and hence the Mangalore Electrical undertaking may have to be taken over early in 1952.

(4) This scheme contemplates installation of one 500 KW. Diesel generating set immediately, the station is taken over to supply power to the long waiting loads. The position of the existing Diesel sets in the department and the diesel sets on order for the various extensions of the diesel schemes on hand has been examined but it is found not possible to divert any of the sets to Mangalore as all the sets available and on order are either required for the places already allotted or are too small in size for Mangalore.

(5) In view of the long delivery periods of about one year quoted for the bigger sets, the Diesel set required for Mangalore has to be ordered even now, if it is to be received in time for installation as soon as the undertaking is taken over by Government.

(6) It is therefore porposed to place order for one number 500 KW. diesel generating set and accessories, the estimated cost of which is about Rs.2.5 lakhs in advance of sanction of the scheme.

(7) The Government were pleased to approve the purchase of Diesel sets in advance of actual sanction of schemes in previous instances, vide G.O.Nos.

1) M.S.No.758 dated 3-3-48.
2) M.S.No.530 dated 16-2-48.
3) M.S.No.3335 dated 5-9-50.

(8) As in the previous cases the expenditure for the purchase of the sets will, if necessary, be debited

p.t.o.

Government Electricity Department.

initially to suspense under 52-A, other revenue expenditure connected with Electricity Schemes - Miscellaneous Expenditure (including surveys) and later transferred to "81-A, Capital outlay on Electricity Schemes when sanctioned. The scheme in the present instance is however likely to be sanctioned before the engine is received and payment made.

Public Works Department,

I request urgent approval of Government for placing an order for a 500 KW. diesel engine generating set for use at Mangalore in advance of the Government sanction of the scheme. Sanction of the scheme may be deferred until the approval of the Government of India is reviewed for the acquisition of the Mangalore undertaking.

Ref: Chief Engineer's (Electricity) letter No.Do\43\ R/2582 I/50-3 dated 15-12-1950.

SV.23-2-51. For Chief Engineer for Electricity.

In the above letter a scheme report for taking over Mangalore Electrical undertaking and improving it at an estimated cost of Rs.29,227 lakhs initially rising to Rs.35,311 lakhs in three years has been submitted to Government for sanction.

As per the Government's nationalisation programme, the Mangalore Electrical undertaking is proposed to be acquired in the second batch i.e. in 1951-1952.

The undertakings in the first batch are scheduled for being taken over in June 1951 and hence the Mangalore Electrical undertaking may have to be taken over early in 1952.

This scheme contemplates installation of one 500 KW. Diesel generating set immediately, the station is taken over to supply power to the long existing loads. The position of the existing Diesel sets in the department and the diesel sets on order for the various extensions of the diesel schemes on hand has been examined but it is found not possible to divert any of the sets to Mangalore as all the sets available and on order are either required for the places already allotted or are too small in size for Mangalore.

In view of the long delivery periods of about one year quoted for the big or sets, the Diesel set required for Mangalore has to be ordered even now, if it is to be received in time for installation as soon as the undertaking is taken over by Government.

It is therefore proposed to place order for one number 500 KW. diesel generating set and accessories, the estimated cost of which is about Rs.2.5 lakhs in advance of sanction of the scheme.

The Government were alerted to prevent the purchase of Diesel sets in advance of actual sanction of schemes in previous instances, vide G.O.Nos.

1) M.S. No.758 dated 4-4-48.
2) M.S.No.880 dated 15-5-48.
3) M.C.No.3855 dated 5-8-50.

In the circumstances of the case will, if necessary, be obtained

c.f.o.

NOTE FOR THE STANDING FINANCE COMMITTEE.

Electricity - South Kanara District - Improvement of supply - Purchase of one 500 K.W. Diesel set in advance of acquisition of Mangalore Company electrical undertaking.

SUMMARY OF COST

Major head of account	Minor and sub-head of account	Ultimate cost		Cost in the year of introduction	
		Recurring	Non-Recurring	Recurring	Non-Recurring
(1)	(2)	(3)	(4)	(5)	(6)
		Rs.	Rs.	Rs	Rs
52.A.-Other Revenue Expenditure connected with Electricity Schemes.	c. Suspense-Purchase of Diesel Generating sets	-	2.5 lakhs	--	2.5 lakhs

The C.E.(E) has submitted proposal for placing an order for one number 500 K.W. diesel generating set and accessories at an estimated cost of Rs.2.5 lakhs, in advance of sanction of the scheme for acquisition and extension of the Mangalore Company Electrical Undertaking by the Government.

2. In October 1950 the C.E.(E) submitted a scheme for acquiring the Mangalore Company Electrical Undertaking and running it as a Government Distribution after installing additional generating plant and carrying out necessary repairs to the existing generating units, at an estimated cost of Rs.29.227 lakhs initially, rising to Rs.35.311 lakhs in 5 years. This included a provision of Rs.17 lakhs for payment of compensation to the licensee for the Undertaking. Although the Mangalore electrical undertaking is included in the second batch of the programme drawn up by the Government for the acquisition of licensed electrical undertakings under the Madras Electric Supply Undertakings (Acquisition) Act, the C.E.(E) recommended that the scheme submitted

by him for acquiring the undertaking and carrying out improvements to it might be sanctioned by the Government urgently, so that the necessary thermal set and materials required might be ordered immediately and received in time for installation as soon as the undertaking is taken over by the Government. In view of the fact that the Government had just started to acquire the concerns included in the first batch of the acquisition programme and Mangalore is included only in the second batch of the programme, and as the licensee is giving fairly satisfactory supply and his financial position is sound even without his levying any surcharge, the Public Works Department suggested and the Finance agreed that the proposal of the C.E. for sanction being accorded to the scheme of acqusition and expansion of the Mangalore Electrical undertaking anead of its turn according to the acquisition programme, might be deferred for the present. H.M.(P.W.) discussed the proposal with the C.E.(E) and the C.E. agreed to withdraw the proposal, but stated that he would send proposals for placing advance orders for the additional plant required for installation at Mangalore when the Mangalore Undertaking is acquired according to the Government programme.

3. The C.E.(E) has accordingly submitted proposals for placing advance orders for one number 500 K.W. diesel generating set and accessories at a cost of Rs.2.5 lakhs in advance of sanction of the Mangalore scheme referred to above. He has stated that the Mangalore scheme submitted by him contemplates the installation of one 500 K.W. diesel generating set immediately after the station is taken over, for supplying power to the long waiting loads and that it is not possible to divert any other sets already in the Department or are on order, as all the sets

are either required for the places to which they have been already allotted or are too small in size for Mangalore. He has pointed out that in view of the long delivery periods of about one year quoted for the bigger sets, the diesel set required for Mangalore has to be ordered even now if it is to be received in time for installation as soon as the undertaking is taken over by the Government.

Vide para 5 p. 3/C.F

4. The Government have approved similar proposals of the C.E.(E) previously for the purchase of diesel sets in advance of actual sanction of the connected schemes. For instance, in G.O.Ms. No.758 PW dated 3-3-48, the Govt. approved the purchase of 9 diesel sets costing about Rs.12.60 lakhs for installation at Cuddapah, Proddatur, Anantapur, Ongole and other places in advance of sanction of the connected schemes relating to the acquisition of the Cuddapah, Proddatur, Anantapur and Ongole Undertakings and other schemes. The Cuddapah, ~~Proddatur and~~ Anantapur and Proddatur electrical undertakings were acquired in November 1948, July 1949, and December 1950 respectively. The Ongole undertaking has vested in the Government on 16-4-1951. In view of the uncertain position regarding supply of generating sets, the C.E.(E) has been pointing out the need for placing orders in advance of sanction of schemes. In several cases the plant and machinery have been not supplied within the delivery period fixed by the firms and it has become therefore imperative to place orders for these plant and machinery well in advance in order that the Government Elecy. Department may carry out the necessary improvements and extensions to the acquired undertakings according to its development programme. There has been practically no substantial electrical development in the South Kanara District and several representations have been received for extension of electricity to the Distt

pp. next but up.

under the South Kanara Electrification scheme sanctioned in Septr. 1950. Jog Power from Mysore is expected to reach Mangalore after about 4 years. In the meanwhile it is necessary to have everything ready for improving the supply position at Mangalore and to meet, to the extent possible, the load demands arising immediately after it is taken over by the Government according to their programme. The present proposal of the C.E. to place orders now for the purchase of the set will make such improvement feasible as the engine sets will be available for installation about the time the undertaking is taken over by the Government.

5. In the circumstances, the proposal of the C.E.(E) has been accepted in the P.W. Department. But the Finance Department has advised that it may be deferred for the present and that if the P.W. wants to press the proposal, orders in circulation, including H.M.(Fin.) may be taken, that the proposal should be treated also as on a "New Service" and placed before the S.F.C. and the Cabinet and that a supplementary statement of expenditure should also be presented to the Legislature in due course. In view of the position explained in para 4 above, this Dept. has, however, pressed for the acceptance of the proposal of the C.E.(E). H.M.(P.W.) and H.M.(Fin.) have accepted the proposal and have ordered that it may be placed before the S.F.C. The proposal is accordingly placed before the S.F.C. for approval.

6. A summary of the financial position in respect of the major head is given below:-

1) Budget provision under the major head of account.	Rs.6,08,200
2. Actual expenditure under the major head of account to the end of Octr. 1950	~~Rs.1,79,51,369~~

5. In the circumstances, the proposal of the C.E.(E) has been accepted in the P... Department. But the Fin.Dept. has advised that it may be deferred for the present for the following reasons:--

(a) The financial position of the Government has been difficult for sometime. The ways and means position will be particularly difficult in this year, 1951-52. It is therefore necessary to go slow in respect of taking over of undertakings, the transfer of which to Government will necessitate a large commitment.

(b) It is not likely that the question of proceeding with the acquisition of the Bangalore undertaking will be taken up in 1951-52 as originally programmed and approved by the Government of India.

(c) It is not necessary to place urgent orders even now for the diesel generating set and accessories required for the scheme.

They have also stated that if the P.W. Dept. wants to press the proposal, orders in circulation including H.M.(Fin) may be taken, that the proposal should be treated as on a "New Service" and placed before the S.F.C. and the Cabinet and that a supplementary statement of expenditure should also be presented to the Legislature in due course. In view of the position explained in para 4 above, this Department, has, pressed for the acceptance of the proposal of the C.E.(E), H.M.(P...) and H.M.(Fin) have accepted the proposal and have ordered that it may be placed before the S.F.C. The proposal is accordingly placed before the S.F.C. for approval.

SME.
30/4/51

1/5/51

1/5/51

To All H.Ms. ✓
.. Fin Dept. ✓
Secy S.F.C ✓
Deputy.
Planning

Pl. issue to-day.

CL
10.5.51.

P...D.(I)

NOTE FOR THE CABINET

Electricity - South Kanara District - Improvement of supply - Purchase of one 500 K.W. Diesel set in advance of acquisition of Mangalore Company electrical undertaking.

The Chief Engineer (Electricity) has submitted proposal for placing an order for one number 500 K.W. diesel generating set and accessories at an estimated cost of Rs.2.5 lakhs, in advance of sanction of the scheme for acquisition and extension of the Mangalore Company Electrical undertaking by the Government.

2. In October 1950 the Chief Engineer (Electricity) submitted a scheme for acquiring the Mangalore Company Electrical Undertaking and running it as a Government Distribution after installing additional generating plant and carrying out necessary repairs to the existing generating units, at an estimated cost of Rs.29.227 lakhs initially, rising to Rs.35.311 lakhs in 5 years. This included a provision of Rs.17 lakhs for payment of compensation to the licensee for the undertaking. Although the Mangalore electrical undertaking is included in the second batch of the programme drawn up by the Government for the acquisition of licensed electrical undertakings under the Madras Electricity Supply Undertakings (Acquisition) Act, 1949, the Chief Engineer (Electricity) recommended that the scheme submitted by him for acquiring the undertaking and carrying out improvements to it might be sanctioned by the Government urgently, so that the necessary thermal set and materials required might be ordered immediately and received in time for installation as soon as the undertaking

is taken over by the Government. In view of the fact that the Government had just started to acquire the concerns included in the first batch of the acquisition programme and Mangalore is included only in the second batch of the programme, and as the licensee is giving fairly satisfactory supply and his financial position is sound even without his levying any surcharge, the Public Works Department suggested and the Finance Department agreed that the proposal of the Chief Engineer for sanction being accorded to the scheme of acquisition and expansion of the Mangalore electrical undertaking ahead of its turn according to the acquisition programme, might be deferred for the present. He discussed the proposal with the Chief Engineer (Electricity) and the Chief Engineer agreed to withdraw the proposal, but stated that he would send proposals for placing advance orders for the additional plant required for installation at Mangalore when the Mangalore Undertaking is acquired according to the Government programme.

3. The Chief Engineer (Electricity) has accordingly submitted proposals for placing advance orders for one number 500 K.W. diesel generating set and accessories at a cost of Rs.2.5 lakhs in advance of sanction of the Mangalore scheme referred to above. He has stated that the Mangalore scheme submitted by him contemplates the installation of one 500 K.W. diesel generating set immediately after the station is taken over, for supplying power to the long waiting loads and that it is not possible to divert any other sets already in the Department or are on order, as all the sets are either required for the places to which they have been already allotted or are too small in size for Mangalore. He has pointed out that in view of the long delivery periods of about one year quoted for the bigger sets, the diesel set required for Mangalore has to be ordered even now if it is to be received in time for installation as soon as the undertaking is taken over by the Government.

4. The Government have approved similar proposals of the Chief Engineer (Electricity) previously for the purchase of diesel sets in advance of actual sanction of the connected schemes. For instance, in G.O.Ms.No.758 P.W. dated 3-3-48, the Government approved the purchase of 9 diesel sets costing about Rs.12.60 lakhs for installation at

of 9 diesel sets costing about Rs.12.60 lakhs for installation at Cuddapah, Proddatur, Anantapur, Ongole and other places in advance of sanction of the connected schemes relating to the acquisition of the Cuddapah, Proddatur, Anantapur and Ongole Undertakings and other schemes. The Cuddapah, Anantapur and Proddatur electrical undertakings were acquired in November 1948, July 1949, and December 1950 respectively. The Ongole undertaking has vested in the Government on 16-4-1951. In view of the uncertain position regarding supply of generating sets, the Chief Engineer Electricity has been pointing out the need for placing orders in advance of sanction of schemes. In several cases the plant and machinery have not been supplied within the delivery period fixed by the firms and it has therefore become imperative to place orders for these plant and machinery well in advance in order that the Government Electricity Department may carry out the necessary improvements and extensions to the acquired undertakings according to its development programme. There has been practically no substantial electrical development in the South Kanara District and several representations have been received for extension of electricity to the District under the South Kanara Electrification scheme sanctioned in September 1950. Jog Power from Mysore is expected to reach Mangalore after about 4 years. In the meanwhile it is necessary to have everything ready for improving the supply position at Mangalore and to meet, to the extent possible, the load demands arising immediately after it is taken over by the Government according to their programme. The present proposal of the Chief Engineer to place orders now for the purchase of the set will make such improvement feasible as the engine sets will be available for installation about the time the undertaking is taken over by the Government.

5. In the circumstances, the proposal of the Chief Engineer (Electricity) has been accepted in the Public Works Department. But the Finance Department has advised that it may be deferred for the present for the following reasons:--

(a) The financial position of the Government has been difficult for sometime. The ways and means position will be particularly difficult in this year, 1951-52. It is therefore necessary to go

slow in respect of taking over of undertakings, the transfer of which to Government will necessitate a large commitment.

(b) It is not likely that the question of proceeding with the acquisition of the Mangalore undertaking will be taken up in 1951-52 as originally programmed and approved by the Government of India.

(c) It is not necessary to place urgent orders even now for the diesel generating set and accessories required for the scheme.

They have also stated that if the Public Works Department wants to press the proposal, orders in circulation including Honourable Minister (Finance) may be taken, that the proposal should be treated as on a "New Service" and placed before the Standing Finance Committee and the Cabinet and that a supplementary statement of expenditure should also be presented to the Legislature in due course. In view of the position explained in para 4 above, this Department has, pressed for the acceptance of the proposal of the Chief Engineer (Electricity). Honourable Minister (Public Works) and Honourable Minister (Finance) have accepted the proposal and have ordered that it may be placed before the Standing Finance Committee. The proposal was accordingly placed before the Standing Finance Committee ~~for~~ and the Committee approved the proposal at its meeting held on 10-5-51. The proposal is now placed before the Cabinet for ratification.

6. The point for orders is whether the proposals of the C.E.(E) for placing advance orders for one number of 500 K.W. diesel generating set and accessories at a cost of Rs.2.5 lakhs in advance of sanction of the Mangalore scheme may be approved.

10/5/51

10.5.51

10.5

To all H.Ms.
" Secy to H.E. the Governor.
" Chief Secy.
despd

GOVERNMENT OF MADRAS

***

READ. Meeting of the Council of Ministers held at Fort St. George, on Saturday the 12th May 1951, at 11 A.M.

The Hon'ble the Chief Minister Presided.

PRESENT:---- The Hon'ble Dr. T.S.S.Rajan.
" Sri M.Bhaktavatsalam
" B.Gopala Reddi
" H.Sitarama Reddi
" A.B.Shetty
" K.Chandramouli
" C.Perumalswami Reddi
" J.L.P.Roche Victoria.

AGENDA:--

5 (1) Electricity - Mettur Electricity System - Chittoor District - Pakala - Renigunta and Arkonam - Nagari - Kalahasti - 33 K.V.Extensions.

(7) Electricity - Papanasam Electricity System - Sundarapandipuram - Surandai Extensions.

(8) Electricity - Mettur Electricity System - Extension of supply to Chennampatti and Kittanpatty villages in the Coimbatore District.

(9) Electricity - Pykara System -Extension of supply to Kollengode, Vadavanur and Koduvayur Panchayat areas in the Malabar District.

(10) Electricity - Pykhara System - Extension of supply to Kugalur Village in the Coimbatore District.

(11) Electricity - South Kanara District - Improvement of supply - Purchase of one 500 K.W.Diesel set in advance of acquisition of Mangalore Company Electrical Undertaking.

ORDER:--

The recommendations of the Standing Finance Committee were approved.

K.R.M.
13.5.51.

PUBLIC WORKS DEPARTMENT

Endorsment No.3700 B/51-3 dated 14th May 1951.

Copy communicated to E and I sections.

V.M.VAIDHYANATHAN,
Assistant Secretary to Government.

(True copy)

GOVERNMENT OF MADRAS

held. Meeting of the Council of Ministers held at Fort St. George, on Saturday the 12th May 1951, at 11 A.M.

The following were present:

PRESENT:----	The Hon'ble	Dr. P.S.Kumaran.
	"	Shri A.Nallathambi Pillai.
	"	P.Kodanda Reddi
	"	M. Ismail Sahib
	"	K.Chengalvaraya Nayanar
	"	C.Rangaswami Reddi
	"	V.L.T.Mooka Virothi.

5 (1) Electricity - Kattur Electricity System - Uthukkottai District - Tamil Nadu - Kanchipuram and Arkonam - Ward - Estimate - 33 K.V. Extensions.

(2) Electricity - Papanasam Electricity System - Sundarapandiyapuram - Unusual Extensions.

(3) Electricity - Kattur Electricity System - Extension of Supply to Uthamacholi and Kittampatty villages in the Coimbatore District.

(4) Electricity - Pykara System - Extension of supply to Kollengode, Vadavannur and Kuzhalmannam areas in the Palghat District.

(5) Electricity - Pykara System - Extension of supply to Kuppalur village in the Coimbatore District.

(6) Electricity - South Arcot District - Improvement of supply - Purchase of one 500 K.V. diesel set in advance of acquisition of Kallakurichi Power Supply Undertaking.

ORDER:--

The recommendations of the Finance Committee were approved.

13.5.51.

Assistant Secretary to Government.

Copy communicated to the Hon'ble Ministers.

Endorsement No.3700 L/51-3 dated 16th May 1951.

Public Works Department.

(True copy)

97/21/5

Issued desired

45 P.W.(I)

G.O.Ms.No. 2100 dt 21/5/51

Issued 17/5/51

Subj:- Electricity - South Kanara Dist - Improvement of supply - Purchase of one 500 K.W. Diesel set in advance of acquisition of Mangalore Company electrical undertaking - Estimate Rs. 2.5 lakhs - Approved.

Read:-

pp. 31-32 C.F. From the C.E(E) No. ES/A3/R-394/2855-G/51-1 dt 23-2-51.

pp. 1 & 6 p. 31 C.F His Excellency the Governor of Madras approves the proposal of the C.E(E) for placing ~~an~~ orders for one number 500 K.W. diesel generating set and accessories at an estimated cost of Rs. 2.5 lakhs (Rupees two lakhs fifty thousand only) in advance of sanction of the scheme for acquisition and improvement of the Mangalore Company electrical undertaking by the Govt.

p. 32 C.F 2. The expenditure is debitable to "52-A-Other Revenue Expenditure connected with Electricity schemes - C. Suspense - Purchase of Diesel Generating sets." Pending provision of funds under this head with the approval of the Legislature, the expenditure during 1951-52 will be initially met from an advance from the Contingency Fund, Orders in regard to which will be issued from the Fin. Dept. the

(P.T.O

46

Chief Engineer (Electricity) is requested to report urgently the probable amount of the expenditure to be incurred during 1951-52.

DMS 15/5/51

TPS 16-5-51

Al 15.5.51

To
The C.E (E)
C.E-I-B.
Fin Deptt (P.W.R)
Fin Deptt (B.S)
Copy to P. Section.

2 S.Cs.

ELECTRICITY - Supply in South Kanara Dt. - Scheme for acquiring and improving the Mangalore electrical undertaking.

From the C.E.(E) No.E3/A3/ R.2583-I/50-3 dated 13-10-50.

--

The file relates to the scheme submitted by the C.E.(E) to acquire the Mangalore electrical undertaking and run it as a Govt. distribution after installing additional generating plant and carrying out necessary repairs to the existing generating units.

2. The South Kanara Dt. is served by two licensees, viz. the Udipi Electric Supply Corporation Ltd., and the Mangalore Electric Supply Co. Ltd. With reference to the representation made by the Kanara Chamber of Commerce to the C.E.I.G. in March 1949 regarding improvement of electric supply in the South Kanara Dt., the C.E.I.G. stated that as Jog power from Mysore would be expected in the area by 1952, we can plan for meeting interim demand by adding one or two engines at Mangalore or Udipi. In Memo. No.1582-P/49-2 P.W. dated 19-5-49, the C.E.I.G. and the C.E.(E) were asked to prepare and submit the necessary scheme for meeting interim demands for supply of electricity in the South Kanara Dt. till 1952. The C.E.(E) has accordingly submitted the present proposal. He has also submitted ~~the~~ preposals separately for acquiring and improving the Udipi licensed electrical undertaking and for extending supply to the areas around Udipi. The proposal for the immediate acquisition of the Udipi undertaking which is included in the first batch of the acquisition programme has already been approved by the Govt. in view of the unsatisfactory supply position in this licensee's area and the Govt. of India's approval to this Govt. incurring the necessary expenditure for acquiring this undertaking has also been received.

3. The Mangalore electrical undertaking to which the present proposal of the C.E.(E) relates, is included

in the ~~first~~ second batch of the acquisition programme ~~xxx~~ and the C.E.(E) expects that the undertaking may be taken over by the Govt. in 1951-52. He, however, considers that it is necessary to have the scheme of acquirement and expansion of the Mangalore Undertaking, sanctioned even now, so that necessary thermal set and materials required may be ordered immediately and received in time for installation as soon as the undertaking is taken over by the Govt. It is submitted in this connection that in G.O. Ms.No.3335 P.W. dated 5-9-50 the Govt. have sanctioned the proposal of the C.E.(E) to purchase 10 Nos.200/300 K.W. and 9 Nos.75/85 K.W. diesel generating sets at a cost of Rs.19.5 lakhs for the Electricity Schemes already submitted to Govt. for sanction and for those to be submitted for sanction immediately. It is not known whether the C.E.(E) has placed orders for the purchase of these sets.

4. The C.E.(E) has also stated that the present scheme is only a prelude to the main scheme recently sanctioned by the Govt. in G.O.Ms.No.3270 P.W. dated 1-9-50 at an estimated cost of Rs.48.32 lakhs initially, rising to 62.05 lakhs in ten years for the purchase of bulk power from the Mysore Govt. from their Jog Falls Scheme at a point near Mysore border and the construction of 66 K.V. transmission lines from there to Coondapur, Udipi and Mangalore for distribution of power in the South Kanara Dt. When this main scheme materialises, the need for oil engine stations at Mangalore and Udipi, to which the present proposal relates, will cease. The C.E.(E) who was consulted with reference to the minutes recorded by H.M.(Agri.) and H.M.(P.W.) in another case as to whether the construction of this main scheme cannot be expedited, has stated that the subject was discussed with the H.M.(P.W.) at the monthly electricity conference for November and that he has explained to the H.M. that the execution of the scheme cannot be expedited as the materials required for the scheme are on order and will take a long time, (about 3 years) to arrive.

With reference to the orders of Secretary in another file (3328-I/50) the C.E.(E) has again been addressed whether the scheme cannot be expedited by obtaining materials which may be available at other projects. The C.E.(E)'s reply is awaited. With reference to his present proposal for taking over and improving the Mangalore undertaking, he has stated that power supply at Mangalore is unsatisfactory, that the public are keen on better supply conditions as development in the area has been at a standstill for some time and that there are considerable number of applicants awaiting suppl for a long period. He has also pointed out that as Jog power referred to at 'A' on p. 2 ante, is likely to reach Mangalore only after about a period of four years, it is necessary in the meanwhile to augment the present supply which is unsatisfactory. It may be mentioned in this connection that the agreement to be entered into with the Mysore Govt. in regard to supply of electricity from their Jog Falls Scheme for distribution in South Kanara Dt. has not been finalised yet, and the matter is still under correspondence between this Govt. and the Govt. of Mysore ~~Govt~~.

5. The scheme submitted by the C.E.(E) for the acquisition and improvement of the Mangalore undertaking has been prepared on a three year net return basis and the report at pp.5-13 c.f. gives full details of load, revenue forecast and estimates. The scheme is estimated to cost Rs.29.227 lakhs initially and Rs.35.311 lakhs in three years.

Compensation to licensee. The estimates include provision for Rs.17 lakhs towards payment of compensation to the Mangalore licensee for his undertaking. (The compensation estimated as payable to the licensee at the time the acquisition programme was drawn up was only Rs.11 lakhs.)

Tariff. The C.E.(E) has reported that the

existing rates of supply of the Mangalore electrical undertaking are 6 annas per unit for lighting, and 4 annas per unit for the first 250 units per mensem and 2 annas per unit for the next 4750 units per mensem for L.T. industrial purposes, and 2 annas per unit for agricultural purposes. He states that the rates for lighting purposes compare well with the Kakinada thermal rates, though the rates for industrial and agricultural purposes appear slightly on the higher side. In view of the eagerness of the public to obtain adequate and reliable supply, the C.E.(E) suggests that greater supply at a higher rate can be considered preferable to restricted or little supply at lesser rates. He therefore proposes that the existing tariff may be continued for one year after which the position may be reviewed to see if any reduction is feasible.

Load Forecast. The present peak on the station is 730 KW. Taking into account the prospective loads in the area, the load demand on the station is expected to exceed 1500 KW. in the third year of operation.

Interest. This is calculated at 4%. This is in order.

Operation and maintenance. A rate of 3% has been assumed as usual.

Depreciation. A rate of 3½% has been assumed.

Return. The anticipated revenue at the end of the third year of operation works out to Rs.1.534 lakhs, yielding a net return of 4.29% on the total capital outlay. The scheme is therefore remunerative.

6. The C.E.(E) has stated that the scheme is expected to commence operation in 18 months from the date of sanction and posting of staff and requests early sanction of Govt. for the scheme, so that additional power can be made available to Mangalore by about 1952. He also requests sanction for the staff required for construction and operation purposes as set out in para 12 of the scheme report.

7. It may be mentioned that the Mangalore electrical undertaking is included in the second batch of the acquisition programme. The first batch of the programme includes all those inefficient concerns where supply has broken down or is otherwise unsatisfactory. So far, the Govt. have approved

the acquisition of all the local authority undertakings and eight out of the 14 company undertakings included in the first batch. ~~While this~~ Thus, while the Govt. have not yet decided on the acquisition of all the concerns included in the first batch itself, it seems premature to take up the question of acquisition of the Mangalore undertaking included in the second batch. Moreover, unlike the Udipi undertaking the concern of the Mangalore licensee is an efficient one and the licensee was able to declare a dividend of 6% tax free for 1948-49, even without any surcharge. There have also been no complaints so far about the inefficiency of the licensee in regard to supply of power. In the circumstances, the case for taking ~~over~~ up the question of acquisition of the Mangalore undertaking immediately in advance of its turn for acquisition under the acquisition programme, does not seem to be strong.

8. It is submitted in this connection that in another file relating to the taking over of the Proddatur electrical undertaking (No 5089-I/50) Secretary has raised the question of policy involved, viz. whether Govt. should undertake the improvements of undertakings acquired by them. He has stated that while estimating the cost for the benefit of the Govt. of India, only the amount of compensation payable has been considered and that the acquisition of undertakings may cost us much more than the original estimates. He has therefore suggested that the question may be put on the agenda for the next monthly electricity conference. Fin. Secy. has also agreed to be present at the meeting. (The next date of the Conference has been fixed as 30.12.50) Subject to the decision to be taken at the conference, it is for consideration whether this Deptt, may suggest that the present proposal of the C.E.(E) for the immediate acquisition and execution of improvements to the Mangalore undertaking may be ~~deferred~~ deferred for the present or whether the proposal will be accepted in this Deptt.

9. The file may be sent to Fin. for remarks.

19.12.50

19.12.50

19.12.50

Fin. Secy. para 12 PD 11-7-50

The C.E.(E) has submitted a scheme for the acquisition of the Mangalore Company electrical undertaking and for improving it and extending supply around Mangalore. In South Kanara, there are two licensed electrical undertakings at Mangalore and Udipi and one undertaking at Kasaragod operating under sanction accorded under section 28 of the I.E.Act. All these three undertakings which are owned and operated by Companies are self-generating. The Govt. have approved the acquisition of the Udipi electrical undertaking as the supply given by the licensee company is unsatisfactory and as there is strong agitation from the public and the Municipalities concerned that the undertaking, which is included in the first batch of the programme of acquisition of electrical undertaking should be taken over by the Government immediately. The C.E.(E) has not recommended the taking over of the small Kasaragod Undertaking which is also included in the first batch of above programme as it ~~is~~ is established and may wait for a few years more. The Mangalore undertaking, the acquisition of which is involved in the scheme submitted by the C.E.(E) is one of the three undertakings owned and operated by Messrs Octavius Steele and Co. of Calcutta, the other two being Salem-Erode and Tirunelveli ~~Palamcottah Tuticorin~~ Undertakings. All these three undertakings are included in the second batch of the programme of acquisition of electrical undertakings. Previously the Government served on the above licensee Company two years' notice of purchase under the I.E. Act in respect of the ~~Salem-Erode~~ three undertakings. But this notice was allowed to lapse under section 3 (2) of the Madras Electricity Supply Undertakings (Acquisition) Act 1949. ~~Early in~~ In August 1949 the C.E.(E) raised the question of taking over the three undertakings of Messrs Octavius Steele & Co. But the Govt. did not accept the proposal.

2. So far as the Mangalore electrical undertaking is concerned, it has been recorded in the Electricity department administration report for 1949-50 that the supply given by the undertaking during the year has been fairly satisfactory with the installation of two additional generating units 267 K.W. each

Out of the 12 self generating licensed undertakings the Govt. have already taken over or decided to take over all but the Mangalore and Adoni electrical undertakings for the main reason that service given by these undertakings are not satisfactory. In 1948-49 the total installed capacity of the Mangalore undertaking was 750 K.W. and its maximum demand 644 K.W. As the two additional units were installed in the middle of 1949 it would appear that the present installed capacity of the undertaking is 750 K.W. ~~and~~ 534 K.W. or 1284 K.W. The undertaking has declared on its ordinary shares a dividend of 5 per cent tax free in ~~1947-48 and~~ 6 per cent tax free in 1948-49 ~~and 1949-50~~. There have been no complaints regarding the supply given by the undertaking nor is there any public pressure. ~~But~~ Hence this undertaking should be taken over immediately by the Govt. as in the case of Udipi. Further, unlike Udipi which is levying 100 per cent war costs surcharge, the Mangalore undertaking is not levying any surcharge at all. In the file relating to the acquisition of Nellore electrical undertaking which is estimated to cost Rs.5 lakhs and which is included in the third batch of the programme of acquisition of electrical undertakings, Finance Secretary expressed that he was against taking over the undertaking ~~over~~ immediately deviating from the programme announced ~~amended~~ by the Govt. But the Govt. decided to take it over immediately ~~an undertaking~~ because there was strong pressure for its acquisition by Govt. from the public and Municipality of Nellore and as the Municipality, the public of Nellore and the Nellore District Board volunteered to finance the scheme. The Mangalore undertaking is estimated to cost Rs.17 lakhs and there is no public pressure or offer of any financial assistance from the public of Mangalore or the Mangalore Municipality for the acquisition of the undertaking.

2. The scheme now proposed by the C.E.(E) is intended to increase supply to meet the general public demand for supply and to improve ~~inform~~ the area which will ultimately be brought under the scheme for distribution in South

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Kanara of Jog hydro electric power from Mysore which is anticipated to reach Mangalore after about four years if it is ~~not possible~~ possible earlier. It will also build up load. ~~not possible.~~ In view of the position explained in para 2 above it seems that the licensee can be expected to continue to give fairly satisfactory service for a few years more and there seems to be no real urgency for the scheme proposed by the C.E. Further any proposal for acquisition of undertakings under the Electricity Acquisition Act requires the approval of the Government of India. Govt. of India may have to be ~~considered~~ convinced of ~~on~~ the necessity for ~~advising~~ advancing the acquisition of the Mangalore undertaking. The Government have already sanctioned the acquisition of all but five Co. undertakings included in the first batch excluding Kasaragod. This involves the ~~taking~~ taking over of 39 electrical undertakings during 1950-51 and 1951-52 and the Government Electricity Department will have sufficient work for reorganising them and integrating them into existing Government systems wherever necessary. It is not unlikely that the acquisition of the remaining undertakings may be decided upon during 1951-52 and the question of proceeding with the acquisition of the undertaking included in the second batch may be taken up thereafter. In the circumstances it seems that the C.E. may be asked to bring forward the proposal as a Part II scheme ~~from~~ for 1952-53.

4. The file may be sent to Finance for remarks.

TAS
28/12/50

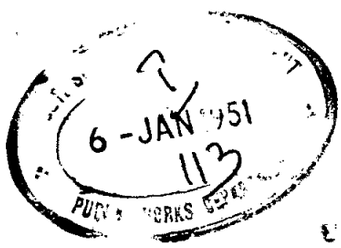
I am doubtful about the wisdom of acquiring undertakings like Mangalore early; service is said to be satisfactory and our hands are likely to be full with the taking over of the undertakings where service is not good. This question may be deferred for the present.

DP
2/1/51

Sir

ASSISTANT SECRETARY TO GOVERNMENT
9 JAN 1951
436 p. 2nd
FINANCE DEPARTMENT

P.W.D.M.O.No. 4675-9/50-1
2-1-51



Fin.(P.W.)

Please see the note from p. 6 above.

Fin. may agree with P.W. Secy. that the proposal for the acquisition and improvement of the Mangalore Company electrical undertaking may be deferred for the present.

5.1.51

4.1.51 5.1.51

Fin. G.O. No. 36 P.W.R/51-1
5.1.51

P.W.(I)

The file relates to the scheme submitted by the C.E.(E) to acquire the Mangalore electrical undertaking and run it as a Govt. distribution after installing additional generating plant and carrying out necessary repairs to the existing generating units. The case is explained in paras 1 to 6 on pp.1-4 ante. The position is briefly as follows:-

2. The Mangalore undertaking is included in the second batch of the programme drawn up by the Govt. for the acquisition of undertakings under the Madras Electricity Supply Undertakings (Acquisition) Act 1949. The scheme submitted by the C.E.(E) for acquiring and improving the Mangalore electrical undertaking is estimated to cost Rs.29.227 lakhs initially, rising to Rs.35.311 lakhs in 3 years. The net revenue at the end of the 3rd year of operation works out to Rs.1.534 lakhs yielding a net return of 4.29% on the total capital outlay. The scheme will therefore be remunerative. The C.E. has stated that the scheme is intended to increase supply to meet the general public demand for supply and to improve the area which will ultimately be brought under the scheme for distribution in South Kanara of Jog Hydro-Electric power from Mysore which is anticipated to reach Mangalore in about four years time. It is expected

that the scheme now proposed will, in the meantime, build up load for being switched over to Jog supply when it becomes available.

3. The advantages pointed out by the C.E.(E), in taking over the Mangalore undertaking immediately and carrying out improvements to it have been examined by this Dept. and they have come to the conclusion that there is no case for agreeing to the C.E's proposal for the ~~immediate~~ acquisition and execution of improvements to the undertaking for the following reasons:-

The capacity of the Mangalore undertaking which was 750 K.W. in 1948-49 has been increased to 1284 K.W. by the installation of 2 additional units of 267 K.W. each in the middle of 1949. It has been recorded in the Electricity Administration Report for 1949-50 that the supply given by the undertaking during the year has been fairly satisfactory with the installation of these additional generating units. The undertaking has declared on its ordinary shares a dividend of 5 percent tax free in 1947-48 and 6 percent tax-free in 1948-49. There have been no complaints regarding the supply given by the undertaking, nor is there any public pressure that this undertaking should be taken over immediately by the Govt. The cost of acquiring the Mangalore undertaking for which provision is included in the present proposal is estimated at Rs.17 lakhs and there is no offer of any financial assistance from the public of Mangalore or the Mangalore Municipality to contribute towards the cost of acquisition of the undertaking by Government. In view of the position set out above, the licensee can be expected to give ~~only~~ fairly satisfactory service for a few years more. Further, any proposal for acquisition of undertakings under the Electricity Acquisition Act requires the approval of the Government

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Of India and they have to be convinced of the necessity for advancing the acquisition of the Mangalore undertaking which is included in the second batch of ~~undertakings to be acquired~~ the programme of acquisition. In view of the fairly satisfactory ~~work~~ working of the undertaking, it does not appear that a convincing ~~or~~ case can be made out to get the Govt. of India ~~accord~~ their approval to the ~~immediate~~ acquisition of the Mangalore undertaking.

4. In the circumstances set out in para 3 above, this Dept. have suggested that the proposal may be deferred and the C.E. asked to bring it up as a Part II Scheme for 1952-53. Secretary has remarked as follows:-

> "I am doubtful about the wisdom of acquiring undertakings like Mangalore early; service is said to be satisfactory and our hands are likely to be full with the taking over of other undertakings where service is not good. This question may be deferred for the present"

The Finance Dept. have agreed with the view of Secretary that the proposal may be deferred for the present.

5. The file may be circulated to H.M.(P.W.) and H.M.(Fin.) for orders whether the scheme submitted by the C.E.(E) for the ~~immediate~~ acquisition and execution of improvements to the Mangalore electrical undertaking at an estimated cost of Rs. 29.227 lakhs initially, rising to Rs.35.311 lakhs in 3 years may be deferred for the present and if so, whether the C.E.(E) may be asked to bring forward the proposal as a Part II Scheme for 1952-53.

JME. 25/1/51 26/1/51 TDK 27/1/51 H.M. (P.W.) H.M. (Fin.)

Let me discuss with the C.E.E. He may come at 1 P.M. after 5th Feb. 27.1 16th at 1 P.M. 30.2

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Please see the minutes of H.M.(P.W) at the bottom of p.11 ante. A draft memo to the C.E(E) is submitted for approval.

6/2/51 6/2/51 6/2/51

~~P.W.(I)~~

[Issued as Memo.No.4675-I/50-2 d/6-2-51.]

The file relates to the scheme submitted by the C.E.(E) to acquire the Mangalore electrical undertaking and and run it as a Government distribution after installing additional generating plant and carrying out necessary repairs to the existing generating units. Please see in this connection the typed note of this Department and orders in circulation thereon at pp.9-11 ante. With reference to the minutes of H.M.(P.W) overleaf, the C.E.(E) has been asked to meet the H.M. for a discussion on the subject at 1 PM on 10-2-51.

2. Although the Mangalore electrical undertaking is included only in the 2nd batch of the acquisition programme, the C.E.(E) has recommended that the scheme submitted by him for acquiring the undertaking and carrying out improvements to it may be sanctioned by the Government now itself, so that the necessary thermal set and materials required may be ordered immediately and received in time for installation as soon as the undertaking is taken over by the Government. In view of the fact that the Government have just started to acquire the concerns included in the first batch of the acquisition ~~of~~ programme and Mangalore is included only in the second batch of the programme, and as the licensee is giving fairly satisfactory supply and his financial position is sound even without his levying any surcharge, this Department has suggested and Fin. ~~guidance~~ has agreed that the proposal of the C.E. for sanction being accorded to the scheme of acquisition and expansion of the Mangalore undertaking ahead of its turn according to the acquisition

programme, may be deferred for the present.

3. The scheme submitted by the C.D., for the acquisition and improvement of the Bangalore undertaking is estimated to cost Rs.29.227 lakhs initially, rising to Rs.35.311 lakhs in 5 years. This includes a provision of Rs.17 lakhs for payment of compensation to the licensee for the undertaking. It may be mentioned in this connection that the Government have just started to implement the Acquisition Act in respect of the undertakings included in the first batch of the acquisition programme. This batch consists of 31 local authority undertakings and 14 private undertakings. Of ~~ee~~ these, Government have approved the schemes for the acquisition of all the 31 local authority undertakings and 8 out of the 14 private undertakings and have served the necessary notices of acquisition on all of them. In pursuance of this notice, they have taken over the Proddatur Company undertaking on 29-12-50 and the Alandur Panchayat undertaking on 25-1-51. The acquisition of the remaining 6 private undertakings, which has not yet been sanctioned, is expected to cost the Government about Rs.37 lakhs by way of compensation alone. The expenditure will be much more if in addition to payment of compensation, it is also necessary ~~for~~ to carry out improvements ~~to be carried out~~ to any of these concerns after they pass over to Govt. In view of the present need for economy in expenditure on account of the difficult financial position, it is likely that the acquisition of these remaining 6 undertakings in the first batch may have to be so spread out as not to cause any undue financial strain on the Government. Further, the acquisition of the Nellore, Srivilliputtur ~~taluk~~ and Adoni electrical undertakings is also being actively pursued. This will involve altogether an expenditure of about Rs.18 lakhs. So, the case

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for sanctioning an expenditure of about Rs.35½ lakhs immediately and entering into financial commitments now itself, on the acquisition of the Bangalore undertaking included in the 2nd batch of the acquisition programme, does not seem to be strong, especially as the undertaking is continuing to give fairly satisfactory service.

4. In this connection it may be mentioned that the Government previously sanctioned in G.O.No.3335 P.W. d/5-9-50 an expenditure of Rs.19.5 lakhs on the purchase of generating sets and other auxiliaries for the Electricity Schemes already submitted to Government for sanction and for those to be submitted for sanction immediately. If the C.E. contemplates now placing orders for the additional sets required for installation at Bangalore ~~undertaking~~ immediately after the Bangalore undertaking is taken over, it would seem that he can put up separate proposals for purchase of such sets after reviewing the needs at other places with due reference to the acquisition programme already ~~arrived b~~ announced by the Government.

5. The file may be circulated to H.M.(P.W.) for use at the discussion with the C.E.(E) at 1 P.M. on 10-2-51.

9/2/51 9.2.57 — 9.2.57 — 9/2/51 — H.M.(P.W.)

H.M (P.W.) discussed the proposal with the C.E(E). The C.E has no objection to withdraw the proposal. But he proposes to send up proposals for placing orders for the additional plant required for ~~the~~ installation at Bangalore when the Bangalore undertaking is acquired according to the last programme. The C.E's proposals may be awaited.

10.2.57

From the C.E(E) No. E 5/A 3/R-394/2855-9/51-1 dt 23-2-51

Please see the typed notes from pp. 12-14 ante, the decision at the discussion between H.M.(P.W) and the C.E(E) on 10-2-51 noted at R on p. 14 ante and the letter from the C.E(E) at pp 31-32 C.F. The C.E(E) has agreed to the sanction for the scheme submitted by him for the acquisition and extension of the Mangalore electrical undertaking being deferred until the approval of the Govt of India to the acquisition of the undertaking is applied for and obtained. But as proposed at the discussion with H.M.(P.W), he has now submitted proposals for placing orders for one number 500 KW diesel generating set and accessories at a cost of Rs. 2·5 lakhs in advance of sanction of the Mangalore Scheme referred to above. He has stated that the Mangalore Scheme submitted by him contemplates installation of one 500 KW Diesel generating set immediately after the station is taken over for supplying power to the long waiting loads and that it is not possible to divert any other sets already in the Dept or on order as all the sets are either required for the places to which they have been already allotted or are too small in size for Mangalore. He has pointed out that in view of the long delivery periods of about one year quoted for the bigger sets, the Diesel set required for Mangalore has to be ordered even now if it is to be received in time for installation as soon as the undertaking

is taken over by Govt. He has therefore requested that the proposal for placing an order for a 500 kW. Diesel engine generating set for use at Mangalore at a cost of Rs. 2·5 lakhs in advance of sanction of the Mangalore Thermal Scheme may be approved. The proposal of the C.E(E) at A above may be accepted.

The file may be sent to Fin for remarks.

JNE. 16/3/51

TPR 1951 $

16/3/51. If an order is placed however Govt will be committed to pay for the set when it is supplied. The sanction however seems to be necessary in view of the expected delay in the receipt of the set in the present international situation

BP 19/3/51 Fin

A

ADDITIONAL DEPUTY SECRETARY 20 MAR 1951 2163 FINANCE DEPARTMENT

P.W.R.

P.W.R.O. No. 4675-9/50-1 19-3-51

Finance (P.W.R.) Deptt

(Finance last saw on p.9 above)

Please see the further notes of P.W. from p.12 above.

2. The proposal, as now submitted by the C.E.(E), is to place an order for one number 500 K.W. diesel generating set and accessories at an estimated cost of Rs 2.5 lakhs in advance of sanction of the Scheme for the acquisition of the Mangalore electrical undertaking. The C.E.(E) considers that in view of the long delivery periods of about one year quoted for the bigger sets, the diesel set required for Mangalore has to be ordered even now, if it is to be received in time for installation as soon as the undertaking is taken over by Government, i.e. in 1951-2. P.W. support the C.E's proposal.

para b, p.31 c f

para 1 c.l.

P.W. agrees in toto.

3. The Mangalore Electrical undertaking is included in the second batch of the programme ~~i.e. in the programme~~, p.1 c.f

~~1951-52~~, drawn up by Govt. for the acquisition of undertakings under the Madras Electricity Supply Undertakings (Acquisition) Act, 1949. The scheme originally submitted by the Chief Engineer (Electricity) for the acquisition and improvement of the Mangalore Undertaking is estimated to cost Rs 29.227 lakhs initially rising to Rs 35.311 lakhs in 3 years. (The estimates include a provision of Rs 17 lakhs towards payment of compensation). The Govt. of India have yet to be addressed and their approval obtained in respect of this ~~line~~ scheme.

4. In view of the present ~~need for economy in expenditure on account of the~~ difficult financial position, it has not yet been possible ~~even~~ to acquire the remaining 6 private undertakings out of the 14 private undertakings included in the first batch of the programme (1950-51). The ways and means position during 1951-52 will be more difficult than in this year, and it is necessary to go slow in respect of undertakings, the transfer of which to Govt. will necessitate a large commitment. It is not likely that the question of proceeding with the acquisition of the Mangalore Undertaking will be taken up in 1951-52 as originally programmed and approved by the Parliament. In the circumstances, it does not seem necessary to place urgent orders even now itself for the diesel generating set and accessories required for the scheme. Finance may, therefore, advise that the C.E.(E)'s proposal may be deferred for the present.

5. If P.W. however wish to press their proposal, they may be requested to take orders in circulation including H.M. (Finance). The proposal should ~~be~~ treated as one 'New Service', and placed before the S.F.C. and the Cabinet. A supplementary statement of expenditure should also be presented to the Legislature in due course.

Fm. No. 21613 P.W.R/SH
27-3-51

P.W.(I)

This file relates to the proposal submitted by the C.E.(E) for placing order for one number 500 K.W. diesel generating set and accessories at an estimated cost of Rs.2.5 lakhs, in advance of sanction of the scheme for acquisition and extension of the Mangalore Company Electrical Undertaking by the Government.

2. In October 1950 the C.E.(E) submitted a scheme for acquiring the Mangalore Company Electrical Undertaking and running it as a Government distribution after installing additional generating plant and carrying out necessary repairs to the existing generating units, at an estimated cost of Rs.29.227 lakhs initially, rising to Rs.35.311 lakhs in 5 years. This includes a provision of Rs.17 lakhs for payment of compensation to the licensee for the Undertaking. Although the Mangalore electrical Undertaking is included in the second batch of the programme drawn up by the Government for the acquisition of licensed electrical undertakings under the Acquisition Act, the C.E.(E) recommended that the scheme submitted by him for acquiring the undertaking and carrying out improvements to it might be sanctioned by the Government ~~then itself~~ urgently so that the necessary thermal set and materials required might be ordered immediately and received in time for installation as soon as the undertaking is taken over by the Government. In view of the fact that the Government had just started to acquire the concerns included in the first batch of the acquisition programme and Mangalore is included only in the second batch of the programme, and as the licensee is giving fairly satisfactory supply and his financial position is sound even without his levying any surcharge, this Department suggested and Finance agreed that the proposal of the C.E. for sanction being accorded to the scheme of acquisition and expansion of the Mangalore Undertaking ahead of its turn according to the acquisition programme, might be deferred for the present. H.H.(P.W)

discussed the proposal with the C.E.(E) and the C.E agreed to withdraw the proposal, but stated that he would send proposals for placing advance orders for the additional plant required for installation at Mangalore when the Mangalore Undertaking is acquired according to the Government programme.

3. The C.E.(E) has accordingly submitted proposals for placing advance orders for one number 500 K.W. diesel generating set and accessories at a cost of Rs.2.5 lakhs in advance of sanction of the Mangalore Scheme referred to above. He has stated that the Mangalore scheme submitted by him contemplates the installation of one 500 K.W. diesel generating set immediately after the station is taken over, for supplying power to the long waiting loads and that it is not possible to divert any other sets already in the Department or are on order, as all the sets are either required for the places to which they have been already allotted or are too small in size for Mangalore. He has pointed out that in view of the long delivery periods of about one year quoted for the bigger sets, the diesel set required for Mangalore has to be ordered even now if it is to be received in time for installation as soon as the undertaking is taken over by the Government. The proposal of the C.E.(E) has been accepted in this Department. The Finance Department have, however, stated that in view of the present difficult financial position, it has not yet been possible to acquire the remaining 6 private undertakings out of the 14 private undertakings included in the first batch of the programme (1950-51), that the ways and means position during 1951-52 will be more difficult than in 1950-51 and that it is necessary to go slow in respect of undertakings, the transfer of which to Government will necessitate a large commitment. They have also stated that it is not likely that the question of proceeding with the acquisition of the Mangalore

Undertaking will be taken up in 1951-52 as originally programmed and approved by the Government of India. In the circumstances, they consider that it does not seem necessary to place urgent orders even now for the diesel generating set and have advised that the proposal may be deferred for the present. They have, however, suggested that if this Department wished to press the proposal, orders in circulation, including H.M.(Fin), may be taken, that the proposal should be treated also as on a "New Service" and placed before the S.F.C. and the cabinet and that a supplementary statement of expenditure should also be presented to the Legislature in due course.

4. With reference to A above, it may be pointed out that in connection with the representation made by the Kanara Chamber of Commerce to the C.E.I.G. in March 1949 regarding improvement of electric supply in the South Kanara District, the C.E.I.G. stated that Jog power from Mysore could be expected in the area by about 1952 and that the interim demand could be met by adding one or two engines at Mangalore or Udipi. The C.E. who was subsequently asked in another connection, to examine whether the construction of the main scheme for the purchase of bulk power from the Mysore Govt. from their Jog falls (sanctioned in G.O.Ms.No.3270 P.W. d/1-9-50 at an estimated cost of Rs.48.32 lakhs initially rising to Rs.62.05 lakhs in 10 years) cannot be expedited, stated that the subject was discussed by him with the H.M.(P.W) at the monthly electricity conference for November 1950 and that he had explained to the H.M. that the execution of the scheme cannot be expedited as the materials required for it were on order and will take a long time (about 3 years) to arrive. In the circumstances, he pointed out that it would take about 4 years for jog power to reach the Mangalore and Udipi areas and that as the power development at Udipi and Mangalore had been at a standstill for some time and as the public are keen on better supply conditions, interim development of the area had to be effected only through the

installation of additional oil engine sets. He accordingly sent up a scheme in September 50 for the acquisition of the Udipi Company electrical Undertaking, which is included in the first batch of the acquisition programme, and for carrying out improvements and extensions to the undertaking at an estimated cost of Rs.10.2 lakhs rising to Rs.13.01 lakhs in five years. This scheme has been approved by the Government in G.O.Ms.No.371 P.W. d/25-1-51. Following this, the C.E. has also sent up a scheme for the ~~imp~~ improvement of electric supply in Karkala area, ~~which~~ now being served by the Udipi license and this is under consideration separately. The Udipi Electrical Undertaking is to vest in the Government on 1-6-51.

The present proposal of the C.E. for placing an indent for a 500 K.W. set for expanding the Mangalore undertaking is in accordance with the policy envisagdd by him at M (on pp. 20-21) above. In view of this and the position stated by the C.E.(E) at N on pp.19 ante, this Dept. may press for the acceptance of the proposal of the C.E.(E) ~~at N on p. 19 ante~~ for an advance order being placed now itself for the 500 K.W. set required for Mangalore

S. The file may be circulated to H.F.(P.W) and H.F. (Fin) for orders whether the proposal of the the C.E.(E) for placing an order for a 500 K.W. diesel engine generating set for use at Mangalore at a cost of Rs.2.5 lakhs, in advance of sanction for acquiring the Mangalore electrical undertaking, will be accepted and the proposal placed before the S.A.C. and the Cabinet for approval.

JNE 5/4/51

6/4/51

The proposal now for consideration relates to the placing of orders for the purchase of a 500 K.W. diesel engine generating set for use at Mangalore in advance of the Government sanction of the scheme for acquisition and improvement of the Mangalore Company Electrical undertaking. ~~The Mangalore Company electrical undertaking~~ is included in the second batch of the programme of the undertakings to be acquired under the

provisions of the Madras Electricity Supply Undertakings (Acquisition) Act. The necessity for the proposal is explained in the C.E.'s letter on pp.31-32 c.f. This Dept. has accepted the proposal. But the Fin. dept. has advised that it may be deferred for the present and that if this department presses the proposal, orders in circulation including M.M.(Fin) may be taken.

Previously the Government have approved similar proposals of the C.E.(C) for the purchase of diesel sets in advance of actual sanction of the connected schemes. For instance in G.O.Ms.No.758P... d/3-3-48 the Govt. approved the purchase of 9 diesel sets costing about Rs.12-60 lakhs for installation at Cuddapah, Proddatur, Anantapur and Ongole and other places in advance of sanction of the connected schemes relating to the acquisition of the Cuddapah, Proddatur, Anantapur and Ongole undertakings and other schemes. The Cuddapah, Proddatur and Anantapur electrical undertakings were acquired in November 1948, July 1949 and December 1950 respectively. The Ongole undertaking is scheduled for acquisition on 16-4-1951. In view of the uncertain ~~position~~ regarding ~~regular~~ supply of generating sets the C.E. has been pointing out the need for placing orders in advance of sanction of schemes. In several cases the plant, and machinery are not supplied within the delivery period fixed by the firms and it has become therefore imperative to place orders for these plant and machinery well in advance in order that the Government Electricity Department may carry out the necessary improvements and extensions to the acquired undertakings according to its development programme. There has been practically no substantial electrical development in the South Kanara District and several representations have been received for extension of electricity to the district under the South Kanara electrification scheme sanctioned in September 1950. Jog Power from Mysore is expected to reach Mangalore after about 4 years. In the meanwhile it is necessary to have every thing ready for improving the supply position at Mangalore and

C.No.4675-9/50.

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to meet, to the extent possible the load demands arising immediately after it is taken over by the Government according to their programme. The present proposal of the C.E. to place orders now for ~~future~~ purchase of the set will help such improvement feasible as the engine sets will be available for installation about the ~~price~~ time the undertaking is ~~further~~ taken over by the Government. In the circumstances orders in circulation to H.M.(P.W) and H.M.(Fin) may be obtained whether the C.E.'s proposal may be accepted and the ~~proposal scheme~~, the expenditure ~~on~~ which will be on a "New Service" ~~new scheme~~ may be placed before the S.F.C. and Cabinet for approval.

Dk 11457 Fom 4/11/57

H'm (P.W) 13.4
H'm (Fin)

14.4

Please see the orders in circulation above. A draft note for the S.F.C. is submitted for approval. ~~Fin~~ The file may be sent to Fin for acceptance of the draft S.F.C. note.

Dk 24.4.51 Fom 3/25/4/57

Fin.

P.W.R.O. No.4675-9/50-4 25-4-51

20/4/51 24/4/51

Fin.(P.W.R.)

[Pre. Fin. note on pp. 16-17 above]

Please see the orders in circulation above. The draft Note for the S.F.C. may be accepted. Para 6 in the draft Note may be omitted at this stage when most of the figures are not available ~~Para 5 may be amplified~~ so as to give the reasons for the need

H'm 26.4.51 26/4/51

26.4.51

PWD

From V.O. 31738-Proj/51-1

26.4.51

A.J.S.

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P.W.(I)

Please see the notes of Fin at the bottom of p. 23 ante. They have suggested that para 6 of the S.F.C. note may be omitted and that para 5 may be amplified so as to give the reasons for their views. Their suggestions may be accepted. ~~A revised~~ Passing the S.F.C. note has been revised accordingly and is submitted for approval.

JNE
30/4/51

TPR
1.5.51

P.W.
1.5.51.

Note for S.F.C. has been circulated to all H.Ms, Fin Dept and Secy. S.F.C. Three copies of the Note for S.F.C. are kept below. The file may be sent to Fin for use at the meeting of the S.F.C.

JNE
4/5/51

TPR
4.5.51

Fin

SENIOR ASSISTANT SECRETARY, FINANCE DEPARTMENT
S.F.C.
6 - MAY 1951
3447
GOVERNMENT OF MADRAS

P.W.C.O.

M.4675-9/51-5
4.5.51

Standing Finance Committee.

The Committee approved the proposal.

JN
10/5/51.

P.W.

P.D

Fin M 3447 SF/51
10/5/51

I.M.D.(I)

C.4675-I/50

ELECTRICITY - South Kanara District - Improvement of supply - Purchase of one 500 K.W. Diesel set in advance of acquisition of Mangalore Company electrical undertaking.

— · —

The proposal relates to the placing of advance orders for one number of 500 K.W. diesel generating set and accessories at a cost of Rs.2.5 lakhs in advance of sanction of the Mangalore scheme. The proposal has been approved by the S.P.C. xxx at its meeting held on 10-5-51. H.M.(P.W) has ordered that all the subjects approved by the S.P.C. on 10-5-51 should be placed before the Cabinet on 12-5-51. This proposal may be placed before the Cabinet on 12-5-51. A draft note for Cabinet is submitted. The file may be circulated to Chief Secretary and H.M.(P.W) for approval of the draft ~~Cabinet~~ Note for cabinet.

Main file in Fin]

SME
10/5/51

DA
10/5/51

SM
10/5/51

C.S.
10/5
Hon (PW)

M.B
10.5

P.W.D. (I)

Note for the Cabinet has been circulated to all H.Ms., Secy to the Governor, and Chief Secretary. The file may be sent Pub (Spl) for use at the meeting of the Cabinet.

SME
11/5/51

DA
11-5-51

Pub (Spl)

P.W.D.
No. 4675-I/50-6
11-5-51

DEPUTY SECRETARY
11 MAY 1951
PUBLIC DEPARTMENT

P.W(9)

Please see the extract of the proceedings of the Cabinet at p. 43 C-F. Item 5(11) referred at A on p. 43 C-F relates to the proposal in this file. The Cabinet has approved the proposal. A draft order is submitted for approval. Fin. may see before issue.

P. W. No.
No. 4675-9/51-7
16-5-51

DNE
15/5/51

TPR
16/5/51 Fin

QL
15.5.51.

Fin.(P.W.R)

(Previous Fin. note on p. 23 above)

The note of P.W. above and the draft order below may be perused and the file returned to P.W.

RR
16.5.51

RV
16/5/51
PWD

No. BG.
NOD
16.5.51

P.W(9) Fin. No. 37338 PWR/51-1
16-5-51

The draft ordered may be issued.

C-No. 3233
16-5-51

DNE
17/5/51

TPR
17.5.51

SM
5
17/5/51

QL
17.5.51.

[Issued as G.O. Ms. No. 2100 P.W. dt 21.5.51.]

ADDITIONAL DEPUTY SECRETARY
16 MAY 1951
37338
FINANCE DEPARTMENT